

How Special Resolution #001–2025 Compares to the Existing Rule

| | Existing Rule | Special Resolution – Proposed Rule Change |
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| How tenure is counted | Tenure is counted in years, served consecutively or non-consecutively. | Tenure is counted in terms, served either consecutively or non-consecutively. |
| Overall term length | Directors cannot run for re-election if they have served for nine years within the preceding 12 years. | Directors cannot run for re-election if they have served for four terms (usually 12 years in total, based on each individual term being normally three years). |
| Term limit reset (or ability to run again) | After stepping away for three years, a former Director could run again. That could allow a person who served 25 years on the Board to come back and serve another nine years if they have not served nine years in the last 12 years. | After four terms (usually 12 years), Directors become ineligible for re-nomination and may not be re-nominated or serve as a CCCU Director in the future. |
| How is a year or term 'counted'? | <p>A "year" could be interpreted to mean any period of 12 consecutive months (i.e., not the time between two AGMs) or a calendar year. The wording is imprecise when used in credit union Rules.</p> <p>A "term" is the time between the end of an AGM and the end of the AGM in the third year following that AGM. A term may be shorter or longer than three "years". For instance, the term length of the Directors elected in September will be well under three years.</p> <p>It is also possible for a "term" to be shorter or longer than the time between the end of an AGM and the end of the AGM in the third year following that AGM, but in most cases a term lasts for three AGMs no matter how many calendar year(s).</p> | <p>The use of the word "term" is a more precise word when used in credit union Rules and will avoid unintended or odd consequences that could arise from the use of the word "year".</p> <p>In most cases, a term lasts for three AGMs and the total time that a Director will be able to serve under the new Rules is the equivalent of about 12 years.</p> |
| If a person is appointed to fill a casual vacancy on the Board, does the time served to fill the vacancy on the Board count under the term limit? | Under the current Rules, it is not clear if the time served to fill a casual vacancy on the Board would count under the term limit Rule, because the term limit applies to "years" and the term limit is based on number of years served. An appointment to fill a vacancy would, in most cases, be less than a full year. | Under the proposed Rules, the time served to fill a casual vacancy on the Board would not count under the term limit. When a person is appointed to fill a casual vacancy, their term only lasts until the next AGM and then they must run for election if they want to stay on the Board. |
| Term provisions for other CU Board members potentially joining the CCCU Board in the event CCCU acquires another CU through a merger | If CCCU were to acquire another credit union through a merger (called a "transferring credit union"), the length of time that a Director has served as a board member of the other credit union is not counted in their CCCU term limit. This could put our credit union at a disadvantage because all the CCCU Directors would reach their maximum term length on the Board prior to the Directors from the other credit union. | The length of time that a Director serves as a Board member of another credit union that CCCU acquires through a merger (called a "transferring credit union") will be counted in the CCCU term limit under the proposed Rule. This creates equality between the transferring-in Directors from the other credit union and the current CCCU Directors, as both keep the existing tenure when calculating the term limit. |